

# TRANSPORTATION LINK

FEDERAL HIGHWAY ADMINISTRATION NATIONAL HIGHWAY TRAFFIC SAFETY ADMINISTRATION  
ST. LAWRENCE SEAWAY DEVELOPMENT CORP. RESEARCH AND SPECIAL PROGRAMS ADMINISTRATION  
OFFICE OF SMALL AND DISADVANTAGED BUSINESS UTILIZATION - U.S. DEPARTMENT OF TRANSPORTATION

APRIL 1997

## Success Story

### Offshore Diving & Packaging Branches Out Into Government Contracting, Pulls in Profits

*Diverse Company's Sales Have Risen 600% Since It Started Contracting With Government*

**B**ill Artis and his father Willy have been in the distribution business since 1979. For many years they distributed AC/DELCO automotive parts to private industries. Then three years ago, the Artis' decided to venture into the realm of government contracting. As a step to put their small business into this market, they bought a company called Offshore Diving, a distributor of scuba and diving equipment. The Artis' knew that several branches of the military had a need for such equipment, and

predicted that by establishing a good relationship with government agencies in this specialized field, the company could eventually branch out into other areas as well.

The Artis' prediction came true. The distribution of scuba equipment served as an inroad to the distribution of many other products to a wide range of federal, state, and local agencies. Today, Offshore Diving and Packaging sells heating elements, automotive parts, and scu-

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### Intelligent Transportation Systems Market to Boom Over Next 20 Years

**A** study by Apogee Research, Inc. for the Intelligent Transportation Society of America and the US-DOT Joint Programs Office determined that over the next 20 years there will be a tremendous surge in both public and private investment in "intelligent transportation systems" (ITS) infrastructure. ITS involves the use of new technologies such as computer systems to make transportation more smooth and efficient.

The study concluded that from the years 1996 to 2005, the ITS market will be publicly led by government investments. During this time, the basic infrastructure necessary for ITS will be laid down. Then, from 2000 to 2005, the private market potential is expected to take off. The public intelligent transportation market is forecasted to grow by \$90 billion over the next twenty years. The private market is expected to increase by an even greater \$350 billion.

According to Shaurav Sen of Apogee Research, the ITS market has been in a state of flux over the last five years as firms have been uncertain of the government's stance on interoperability and other standards. Now, however, a study by a USDOT sponsored Joint Architecture Team and other factors have given some certainty of the government's blueprint for ITS. As a result, private ITS research firms that have been in research and development cycles for the past few years are beginning to feel they can start putting their products in place.

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### Research Shows Transportation A Major Factor In Moving AFDC Recipients Off Welfare

*"Access-to-Work" Research Shows Jobs Moving Further Away From Welfare Recipients*

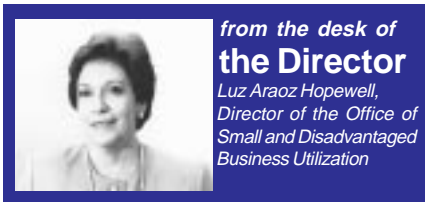
**A**ccording to research done through the Volpe National Transportation Systems Center and several universities, transportation issues can be critical to helping those on the welfare rolls land a job.

Simply put, the problem is "spatial mismatch": workers are at a far geographic distance from jobs. A study of the Cleveland area done by Neil Bania of Case Western University showed that only 8 to 15% of entry-level jobs were accessible to welfare recipients within 37 minutes via public transit. 39 to 44% of the entry-level jobs were accessible

within 80 minutes, and no matter how much time was allowed for transportation welfare recipients could never reach 50% of the jobs. Given only 6% of welfare recipients own an automobile, the study shows that the majority of entry-level jobs were inaccessible for those on welfare.

Further, statistics from the U.S. Census show that 56.4% of AFDC welfare recipients live in the central city. In contrast, the vast majority of new jobs created are in the suburbs. In cities such as Washington, D.C., New York, Boston,

*Continued on page 2*



from the desk of  
**the Director**  
Luz Araoz Hopewell,  
Director of the Office of  
Small and Disadvantaged  
Business Utilization

**A**ccess-to-Work is the mission of a DOT working group formed to integrate transportation issues into welfare reform. The group is currently proposing \$100 million per year in funding over the next six years to be included for Access-to-Work issues in the "NEXTEA" transportation budget program which is awaiting Congressional approval.

According to Linda Lawson of the DOT Office of the Secretary Policy Office, "DOT recognizes that transportation is a significant barrier to those on welfare who seek employment. DOT realizes that we are the 'to' in 'welfare-to-work'." The working group was formed as a result of the realization that "transportation was not a component of the Welfare Reform Act."

A Federal Transit Administration pilot program has sprung from the Access-to-Work initiative. The immediate goal of this group is work with the National Governor's association to help individual states incorporate transportation issues into their welfare reform plans.

Please be advised that opportunities exist for 8(a) businesses to assist local governments in the welfare planning process as these bodies determine the best use of their DOT Access-to-Work funding.

ba and diving equipment to the DOT, Army, Navy, Marines, and various Defense Logistics Agencies, county road commissions, and "just about anybody that needs our parts." In the three years since it started contracting with the government, Offshore Diving's sales have gone up 600%.

DOT Liaison Outreach Services Program (LOSP) Region V Director Jean Conyers helped the Artis' get one of their first government contracts. Through her contacts in the DOT, Conyers helped Offshore Diving get in touch with pro-

## Transportation & Welfare from page 1

and Philadelphia, jobs are rapidly leaving the central urban area, thus increasing the physical distance between welfare recipients and new jobs.

Dr. Joseph Coughlin of the Volpe Center asserts that most public transit planning is geared toward transporting people into urban areas from the suburbs, not vice-versa.

Dr. Coughlin also asserts that even if a welfare recipient can find a job, the costs of raising children as a single parent coupled with transportation costs can nullify a salary. He cites the example of a single mother of two children (the most common welfare recipient). The mother may have to travel 90 minutes each way to get to work and pay the cost of transportation, often \$6 each way, as well as the cost of day-care for her two children. In this realistic scenario, says Dr. Coughlin, taking a job that pays \$7-10 per hour "does not make sense."

Doug Bernie of the Federal Transit Administration suggests it is possible for low-income communities with welfare recipients to provide their own solution to the access-to-work problem. Drivers who live in these communities can set up van and shuttle transportation services to transport workers to their jobs. Bernie notes that this idea creates entrepreneurial opportunities and places jobs directly within the low-income communities.

The Job Links program in Anne

Arundel County, MD is one such program which has been successful. Fifteen van companies were created which transport workers from low-income communities in Baltimore to work at Baltimore Washington International Airport.

From an employers' standpoint, Dr. Coughlin stresses that, to be sure, 8(a) businesses, which are by definition small and disadvantaged, cannot be asked to take on the role of providing funds for transportation programs. However, Dr. Coughlin believes that "8(a) companies can use their unique position in the private sector to act as a catalyst. [8(a) companies can] promote an *awareness* and indeed a *sensitivity* to the work/family balance. Take for instance an industrial park. Perhaps no one of the companies in the park alone can afford to provide day-care. But an 8(a) company could team with the other companies in the industrial park in a collaborative effort to provide day-care."

Dr. Coughlin also stresses that providing "employee supports" is not only good for the employee—it is good for the company. Companies which find ways to help employees maintain the work/family balance in turn maintain a greater commitment from their employees. Besides helping employees find day-care, firms can also assist their employees by coordinating with their local transportation authority to provide employees with transit passes.

## Success Story from page 1

curement officers in the U.S. Coast Guard and eventually land a contract to sell scuba equipment. Today, Bill Artis said his company sells scuba equipment to the Coast Guard "on a daily basis."

The Artis' continuously use the resources at the LOSP Region V office. These include computer facilities which enable users to dial into federal DOT as well as state-level internet bulletin boards and government contracting databases. The Artis' maintain contact with Conyers, the LOSP Representative from their region, who provides them with

leads for potential contracts. Bill Artis says he would advise any small business that wants to begin contracting with the government to "use all your resources. There is a lot of free information out there. Get a bidding list from your local city hall or public library." And, most importantly, "you have to build a relationship with government agencies and vendors." As a result, these customers will look to your business for more and more products and services.

## Statistics: Access to Work

Percent of entry-level jobs accessible to welfare recipients in the Cleveland area via public transit:

**Travel Time**  
37 minutes  
80 minutes  
any length of time

**% of entry-level jobs accessible**  
8-15%  
39-44%  
less than 50%

Source: *Time Limited Welfare & the Employment Prospects of AFDC Recipients* by Neil Bania, Case Western Univ. Center for Urban Poverty & Social Change



## Follow the Money

In this column *The Transportation Link* lists the grants and funding announced by DOT in an effort to help DBEs locate contracting and subcontracting opportunities.

### Secretary Slater Proposes Six-Year, \$174 Billion Surface Transportation Program

In testimony before Congress on February 26, U.S. Secretary of Transportation Rodney E. Slater indicated that the Clinton Administration supports a new six-year, \$174 billion investment program for highways, public transit and other surface transportation. The package, tentatively named the National Economic Crossroads Transportation Efficiency Act (NEXTEA) would reauthorize programs expiring at the end of fiscal 1997 for fiscal 1998-2003.

The administration's reauthorization proposal, which will soon be submitted to Congress, represents an 7.8 percent increase for comparable programs over NEXTEA's predecessor, the Intermodal Surface Transportation Efficiency Act of 1991 (ISTEA). ISTEA authorized \$157 billion for highway, rail, transit and safety programs. It expires at the end of 1997. After defense and entitlements, it is one of the largest federal programs.

Secretary Slater said that NEXTEA would ensure that state and local governments have predictable amounts of federal funding from year to year. The state infrastructure bank (SIB) program would continue to be funded at \$150 million and be expanded under the proposal by

opening it to all states. In addition, a \$100 million federal credit program would be established to support multi-state projects of national significance that a single state might not be able to manage alone.

Sec. Slater proposed an incentive program for Intelligent Transportation Systems (ITS). Under NEXTEA, ITS investments would be eligible for funding under all major investment categories.

### FHWA Gives Tennessee \$1 Million to Develop Traffic Management

Acting Federal Highway Administrator Jane Garvey announced February 28 the award of \$1 million to the state of Tennessee to study and develop a conceptual plan for a comprehensive parking and traffic management system in Nashville.

"Tourists from around the world travel to Nashville to visit the many attractions the city has to offer," Garvey said. "That is why a comprehensive parking and traffic management system is so necessary for this area. This system, as envisioned, holds the promise of improving mobility, enhancing safety and reducing congestion in Nashville and surrounding areas."

The system will include traffic sensors, signals, electronic and static signs, communication devices, data processing hard-

ware and software, and data display equipment to help improve the efficiency of parking in the Nashville area and reduce the impact on local traffic. The system will be integrated into a proposed Nashville Area Traveler and Tourist Information System, also being studied.

### DOT to Fund \$200,000 to MTA to Support Governor's Smart Growth Policy

Federal Transit Administrator Gordon Linton, announced February 26 that the U.S. Department of Transportation intends to award \$200,000 to the Maryland Mass Transit Administration (MTA) to support Maryland Gov. Parris Glendening's Smart Growth Policy, to improve the quality of life in communities.

A day-long symposium will be held for community leaders, residents, business representatives, local officials, and developers to discuss land use, transportation and infrastructure policies. Following the symposium, visual preference surveys will be conducted in various urban, suburban, and rural areas throughout the state. These surveys will present participants with views of landscaping, pedestrian walkways, art work, and other transit-oriented development and have participants choose amenities that they believe would enhance transit use.

## ITS Boom from page 1

Examples of ITS include:

- Real-time data: Provide drivers info. about traffic congestion, alternate routes. Data may be collected by one company, sold to individual travelers by another.
- In-vehicle Mayday/Emergency systems: Allow a driver who needs assistance to reach an emergency operator through the push of a button.
- Fleet Tracking Systems: Computerized central tracking of all vehicles in a fleet. Track exactly what time deliveries are made, where vehicles are on the road. Allows bus services to give more accurate information about departure and arrival times. Enhances "Just-in-time" inventory/delivery systems.
- Vehicle Safety Systems: include obstacle warning systems, vehicle/driver safety monitoring, vision enhancement.

These products are only the beginning of ITS. Over the next five years, Mr. Sen predicts that "there will be hundreds of new products. And it's not just the bigwigs who can get into this market—whoever can come up with a value-added product has an opportunity. There are no definite products in the lead right now."

"With over 200 million vehicles on the road, the market is huge...and the products are so diverse. Small businesses not constrained by bureaucracy have a great opportunity and can easily get into the market."

## CALENDAR OF EVENTS OF INTEREST TO M/WBES FEBRUARY/MARCH/APRIL 1997

Date	Event	Location	Contact
April 1	<b>Miami Transportation Marketplace</b> Sponsored by USDOT	Miami FL	N. Quiñones (800) 522-6623
April 14-15	<b>Indiana Business Opportunity Fair</b> Sponsored by the Indiana Regional Minority Supplier Development Council	Indianapolis, IN	(317) 923-2110
April 22	<b>7<sup>th</sup> Annual Small Business Networking Event</b> Sponsored by the University of Southern California, Small Business Development Office	Los Angeles, CA	(213) 740-9783
April 23-25	<b>Minority Marketplace '97</b> Sponsored by Mid South Minority Business Council	Memphis, TN	(901) 678-2388
April 25-26	<b>Managing Success: A Workshop for Growing Minority Owned Businesses</b> Sponsored by the Amos Tuck School of Business	Baltimore, MD	(603) 646-3740
April 25-27	<b>9<sup>th</sup> Annual Los Angeles Black Business Expo and Trade Show</b> Sponsored by United Health Plan	Los Angeles, CA	(213) 242-6900
April 28-29	<b>Successful Program/Project Management: The Key to Improvement in Govt. Contracting</b> George Mason U. Professional Training & Development	Herndon, VA	(703) 733-2800
April 28-May 1	<b>National Center For American Indian Enterprise Development: Reservation Economic Summit</b>	Phoenix, AZ	(602) 545-1298
May 7-9	<b>Women in Transportation Seminar</b> <b>20<sup>th</sup> Annual National Conference</b>	Baltimore, MD	(617) 367-3273
May 8	<b>Showcase '97</b> Sponsored by Northwest Minority Supplier Development Council	Seattle, WA	(206) 441-9558
May 12-13	<b>New England Minority Purchasing Council Trade Fair</b>	Boston, MA	(617) 578-8900
May 15-16	<b>World of Opportunity: Solutions for Minority Entrepreneurs Conference</b> by American Association of Minority Businesses	Dallas, TX	(704) 376-2262

want more information?

Jump into the net.

<http://osdbuweb.dot.gov>

*Address Correction Requested*

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